Army Benefits Center-Civilian

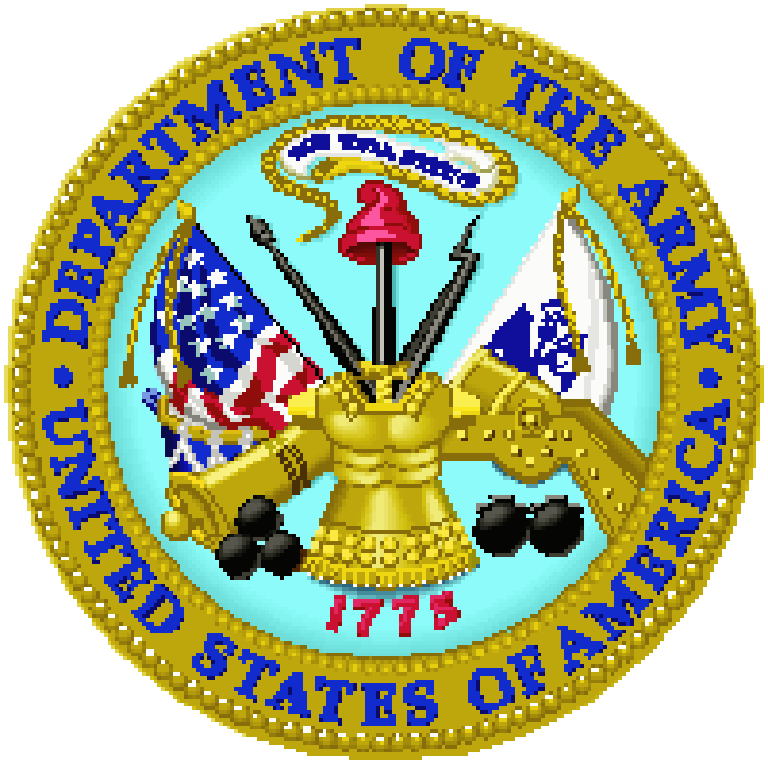
ABC-C CSRS Briefing

Presented By:

Harold Menton & Alma Perez

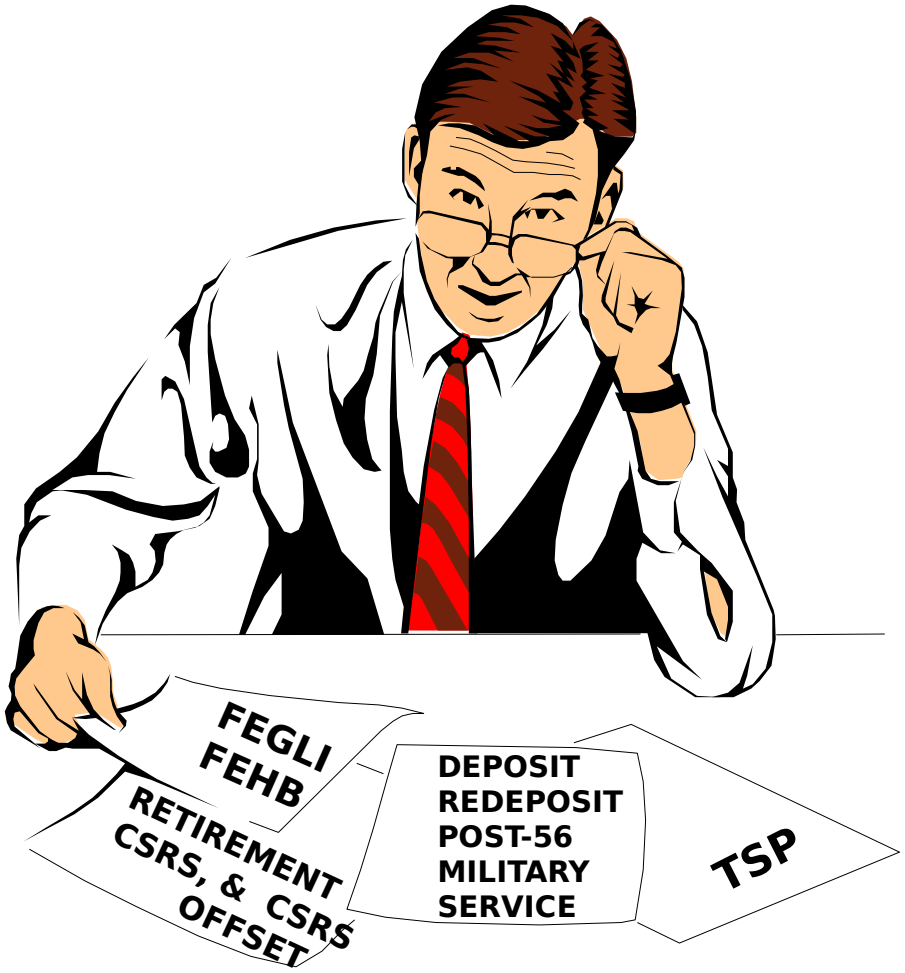
June 21 - 25, 2004

CSRS RETIREMENT OVERVIEW



ARMY BENEFITS CENTER — CIVILIAN

RETIREMENT DECISIONS

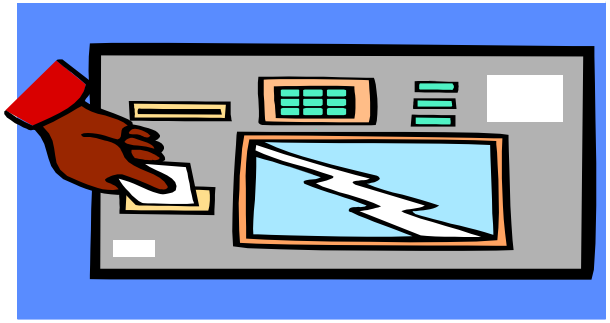


CIVILIAN DEPOSIT/ REDEPOSIT

CSRS

What is Deposit Service?

- Any period of creditable service during which retirement deductions are not taken
- Generally, non-career time such as temporary or indefinite service
- Also known as non-deduction service



DEPOSIT SERVICE

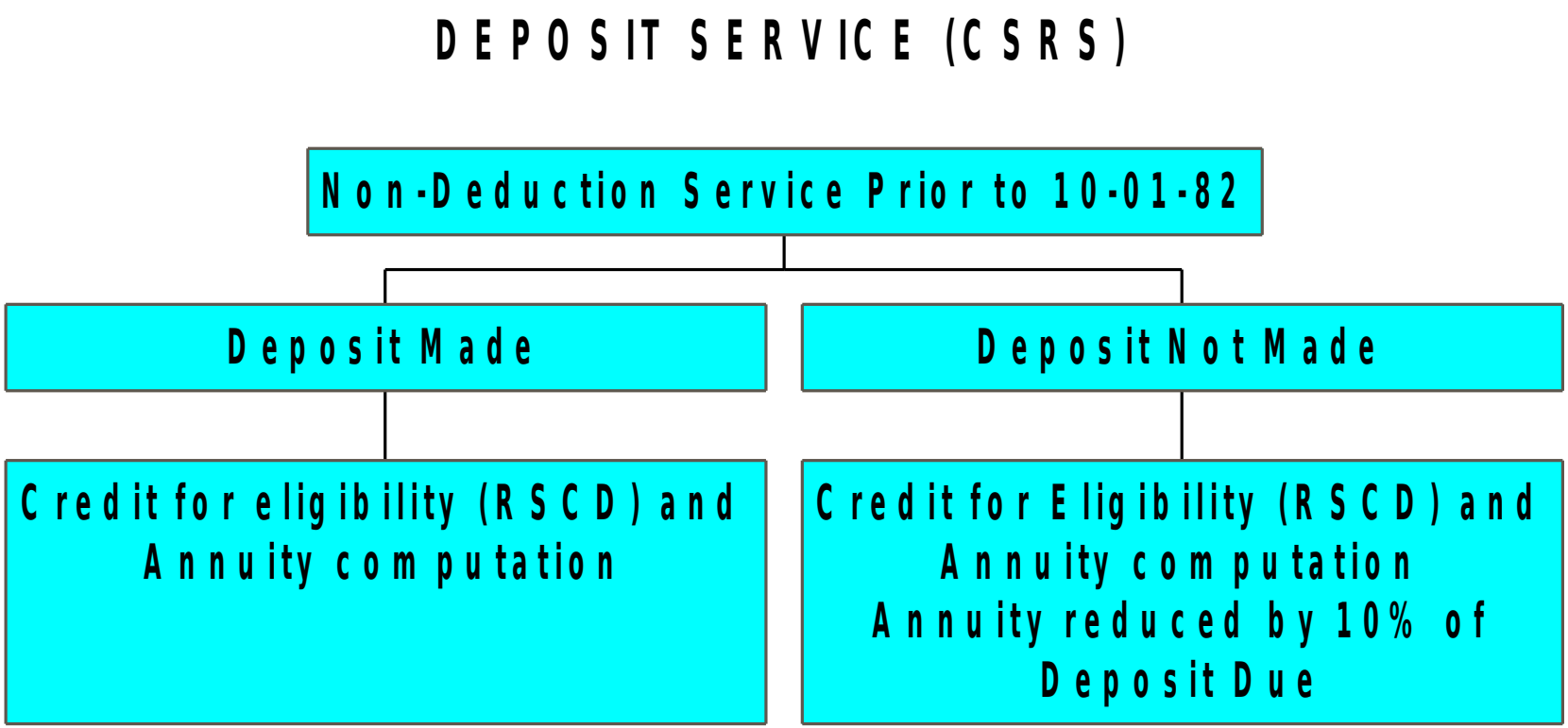
- **However, it can also be service that was not considered Federal employment at the time it was performed, but for which a subsequent change in law now allows credit for retirement annuity computation purposes.**

<u>Amount of Deposit</u>:

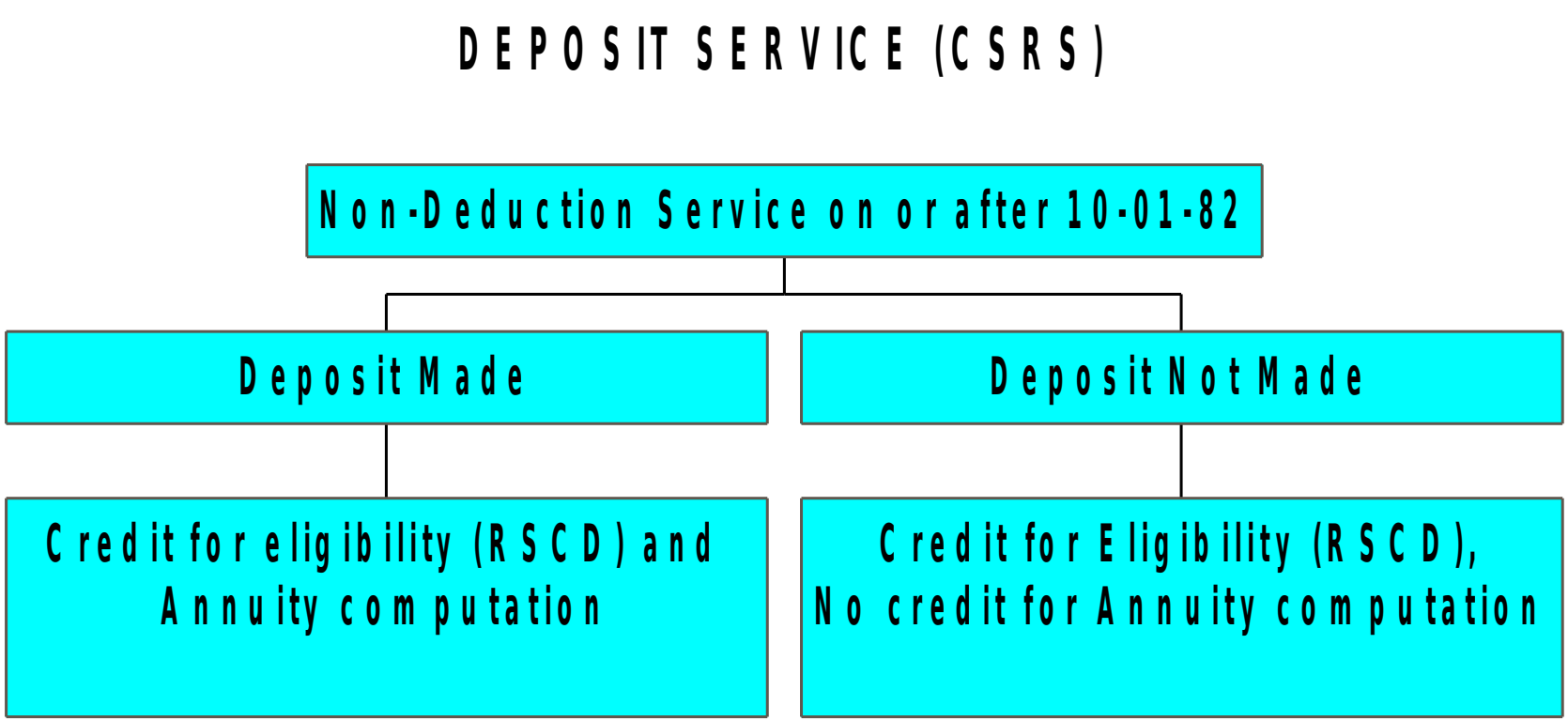
***7% of earnings + Interest**

***Varies by the date service was performed**

DEPOSIT SERVICE


DEPOSIT SERVICE (CSRS)
Non-Deduction Service Prior to 10-01-82
Deposit Made
Deposit Not Made
Credit for eligibility (RSCD) and Annuity computation
Credit for Eligibility (RSCD) and Annuity computation
Annuity reduced by 10% of Deposit Due

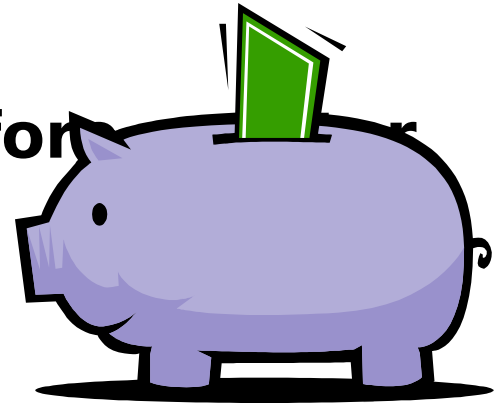
DEPOSIT SERVICE


DEPOSIT SERVICE (CSRS)
Non-Deduction Service on or after 10-01-82
Deposit Made
Deposit Not Made
Credit for eligibility (RSCD) and Annuity computation
Credit for Eligibility (RSCD), No credit for Annuity computation

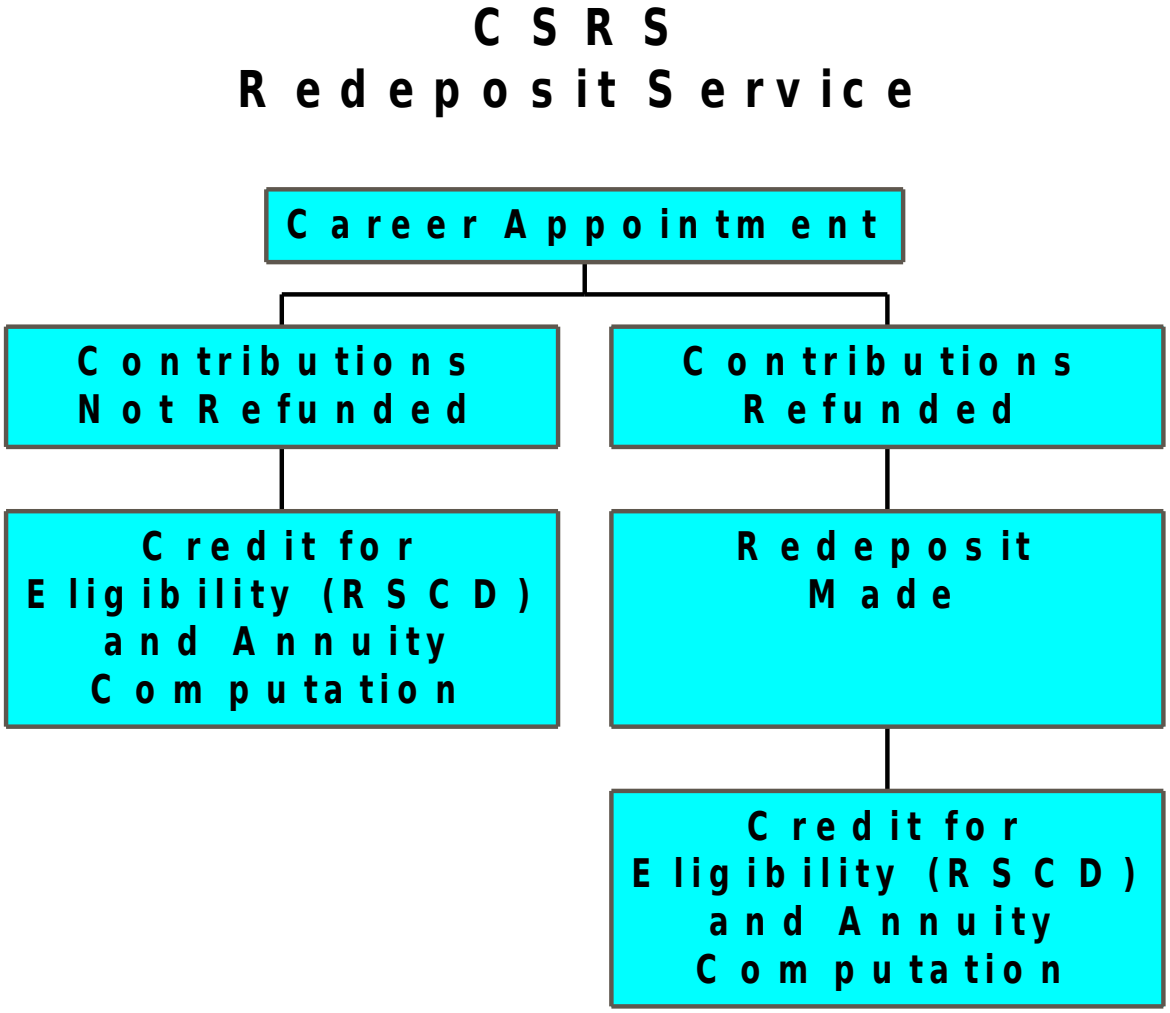
WHAT IS REDEPOSIT?

- **A sum of money paid into the Fund by an employee or survivor to cover a period of service during which deductions were withheld but later refunded under CSRS provisions**
- **Redeposit = Amount of refund plus interest**

<u>Note</u>: Redeposit may be made before or retirement.

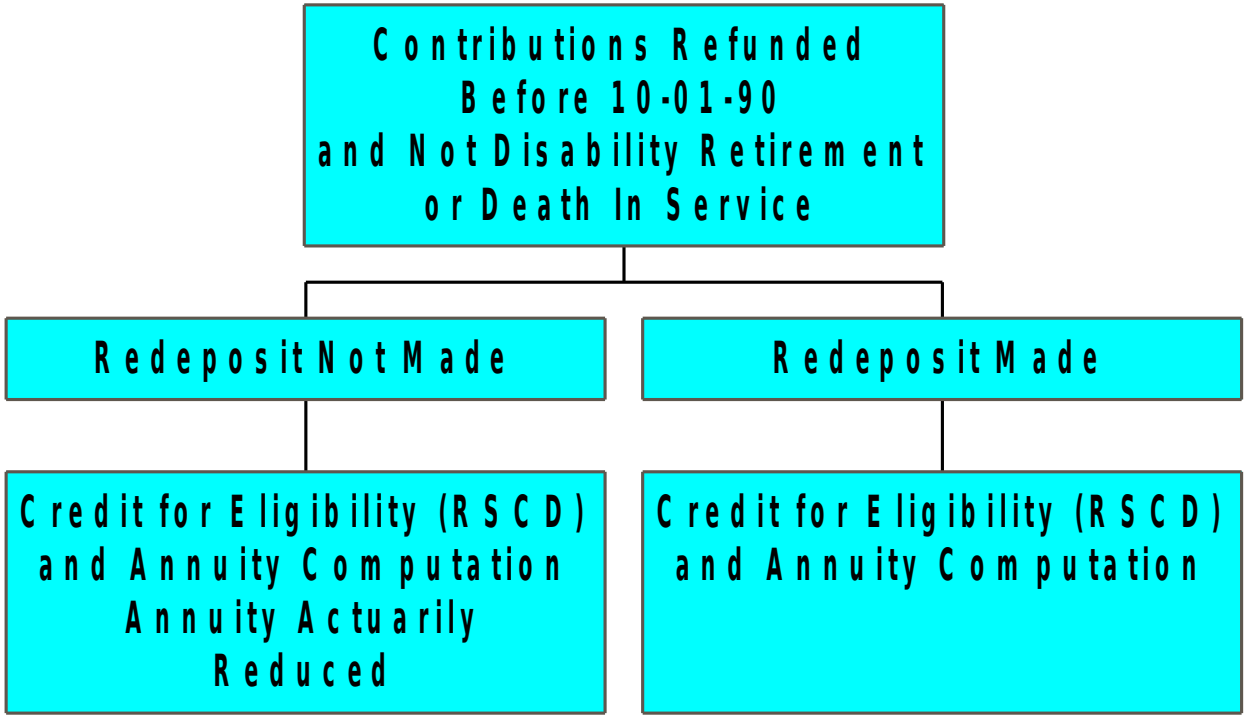


REDEPOSIT SERVICE

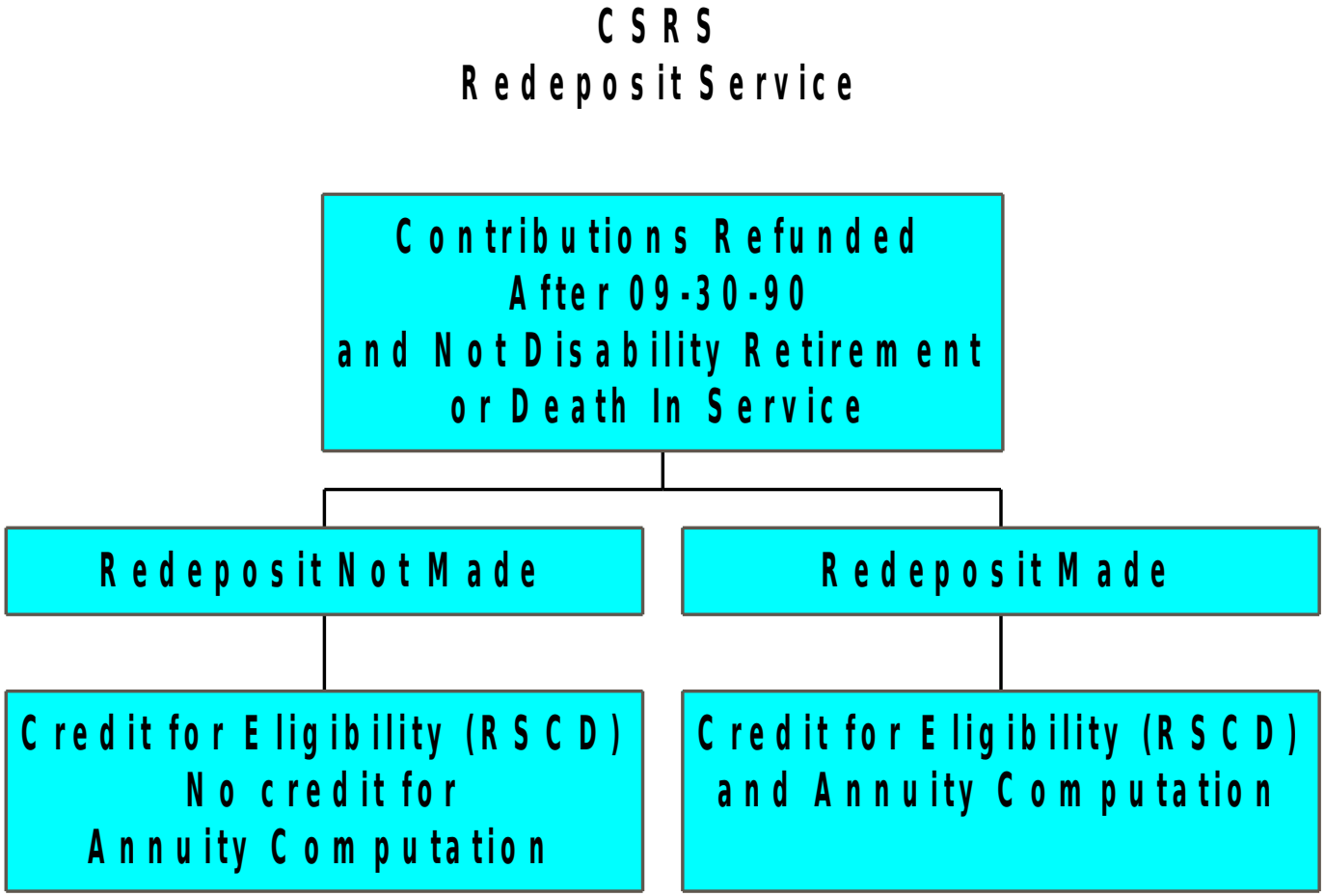


REDEPOSIT SERVICE

CSRS
Redeposit Service



REDEPOSIT SERVICE



PRE 01-01-57 MILITARY SERVICE

No deposit required for creditable military service performed prior to 01-01-57

CIVILIAN SERVICE CREDIT FOR POST-56 MILITARY SERVICE

IN RECEIPT OF MILITARY RETIRED PAY

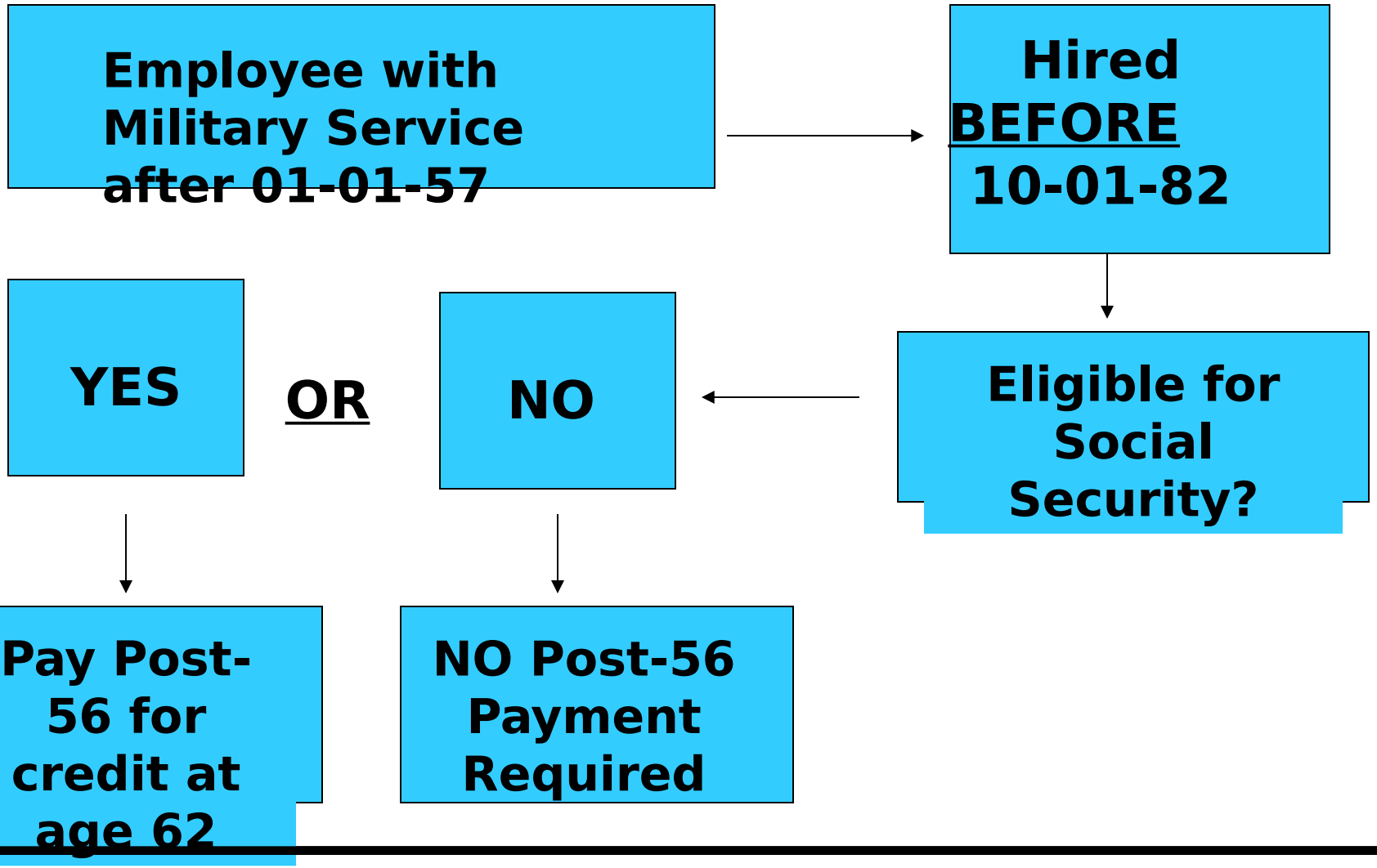
Based on Non – Combat Disability or Service

No Credit unless Military Retired Pay is waived

Based on Combat Disability or Chap 67, Title 10 (Reserves)

Hired Before or After 10-01-82? See Next Slide

CIVILIAN SERVICE CREDIT FOR POST-56 MILITARY SERVICE



CIVILIAN SERVICE CREDIT FOR POST-56 MILITARY SERVICE

Employee with Military Service after 01-01-57

→

Hired <u>AFTER</u> 10-01-82

↓

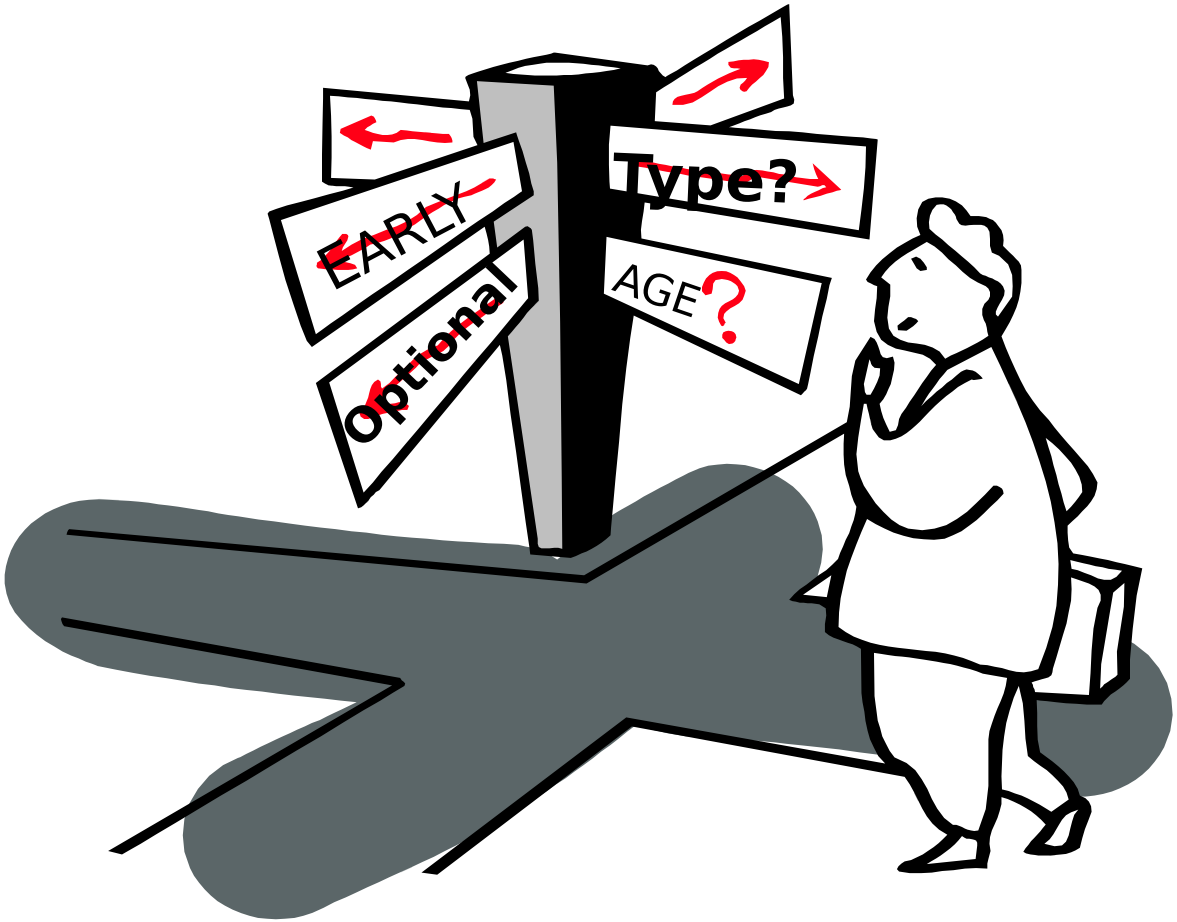
Must pay Post-56 to receive credit at time of retirement

<u>Amount of Deposit</u>:

***7% of base pay earned + Interest.**

***Varies by the date service was performed**

RETIREMENT REQUIREMENTS



GENERAL ELIGIBILITY REQUIREMENTS

Have at least 5 years of civilian service with the Federal Government

Have been employed under CSRS for at least 1 year out of the last 2 years preceding your final separation from Federal employment

Must separate from a position subject to CSRS coverage

CSRS
OPTIONAL RETIREMENT

Eligibility requirements for Voluntary Retirement:

Age 55 with 30 years of service

Age 60 with 20 years of service

Age 62 with 5 years of service

- **Must have at least 5 years creditable civilian service**

- **Military service or sick leave may not be used to reach the 5 year rule**

VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA)

EMPLOYEE ELIGIBILITY REQUIREMENTS:

- **Age 50 with 20 years of creditable service**
- **Any age with 25 years of creditable service**

EFFECT ON EMPLOYEE BENEFITS:

- **2% reduced annuity for each year under 55**
- **Annuity starts day after retirement if retirement is effective within first three days of month**
- **Annuity starts first day of following month if retirement is effective after third day of month**

CSRS DEFERRED RETIREMENT

A deferred annuity is payable at age 62 to an individual who separates from service and is not entitled to an immediate annuity

At least five years of civilian service

Must meet the one-out-of-two requirement at the date of separation from service

Has not taken a refund of retirement deductions for the last period of service

CIVIL SERVICE RETIREMENT SYSTEM

AGE

Date of Retirement
- Date of Birth

Age at Retirement

TOTAL SERVICE

Date of Retirement
- Retirement SCD

Length of Service

UNUSED SICK LEAVE - CSRS

1. Must retire on an immediate annuity

2. Added to length of service for computation purposes only

3. Additional time computed on the basis of a 2087 hour work year

4. May increase survivor annui

Chart 2. -- Sick Leave Chart 2087 Hours

Chart for Converting Hours of Unused Sick Leave to Months and Days (See section 50A2.1-3G).

DAYS	1 Day	1 Month	2 Months	3 Months	4 Months	5 Months	6 Months	7 Months	8 Months	9 Months	10 Months	11 Months
0	0	174	348	522	696	870	1044	1217	1391	1565	1739	1913
1	6	180	354	528	701	875	1049	1223	1397	1571	1745	1919
2	12	186	359	533	707	881	1055	1229	1403	1577	1751	1925
3	17	191	365	539	713	887	1061	1235	1409	1583	1757	1930
4	23	197	371	545	719	893	1067	1241	1415	1588	1762	1936
5	29	203	377	551	725	899	1072	1246	1420	1594	1768	1942
6	35	209	383	557	730	904	1078	1252	1426	1600	1774	1948
7	41	214	388	562	736	910	1084	1258	1432	1606	1780	1954
8	46	220	394	568	742	916	1090	1264	1438	1612	1786	1959
9	52	226	400	574	748	922	1096	1270	1444	1617	1791	1965
10	58	232	406	580	754	928	1101	1275	1449	1623	1797	1971
11	64	238	412	586	759	933	1107	1281	1455	1629	1803	1977
12	70	243	417	591	765	939	1113	1287	1461	1635	1809	1983
13	75	249	423	597	771	945	1119	1293	1467	1641	1815	1988
14	81	255	429	603	777	951	1125	1299	1472	1646	1820	1994
15	87	261	435	609	783	957	1130	1304	1478	1652	1826	2000
16	93	267	441	615	788	962	1136	1310	1484	1658	1832	2006
17	99	272	446	620	794	968	1142	1316	1490	1664	1838	2012
18	104	278	452	626	800	974	1148	1322	1496	1670	1844	2017
19	110	284	458	632	806	980	1154	1328	1501	1675	1849	2023
20	116	290	464	638	812	986	1159	1333	1507	1681	1855	2029
21	122	296	470	643	817	991	1165	1339	1513	1687	1861	2035
22	128	301	475	649	823	997	1171	1345	1519	1693	1867	2041
23	133	307	481	655	829	1003	1177	1351	1525	1699	1873	2046
24	139	313	487	661	835	1009	1183	1357	1530	1704	1878	2052
25	146	319	493	667	841	1015	1188	1362	1536	1710	1884	2058
26	151	325	499	672	846	1020	1194	1368	1542	1716	1890	2064
27	157	330	504	678	852	1026	1200	1374	1548	1722	1896	2070
28	162	336	510	684	858	1032	1206	1380	1554	1728	1901	2075
29	168	342	516	690	864	1038	1212	1386	1559	1733	1907	2081

Example: Computing Total Service with Unused Sick Leave

AGE	TOTAL SERVICE
2003-03-31 (DOB)	2003-03-31 (DOB)
- 1940-12-05 (DOB)	- 1978-03-12 (Ret-SCD)
63-03-26	25-00-19
Unused Sick Leave	
1136 hours	+ 00-06-16
= 63 years	= 25 y 07m 05d

CIVIL SERVICE RETIREMENT SYSTEM

✔ **GENERAL FORMULA FOR COMPUTING ANNUITY FOR VOLUNTARY RETIREMENT:**

➤ **1.5% X High-3 avg salary X first 5 years of service**

plus

 1.75% X High-3 avg salary X next 5 years of service

plus

 2.0% X High-3 avg salary X all years and months of service over 10 years

(includes unused sick leave)

CSRS

REDUCTIONS

- Age Reduction (VERA/DSR)
- Deposit/Redeposit Service
- Election of Survivor Benefits
- Post-56 Military Service
  - Applies to CSRS Employee hired before 10-01-82 known as “Catch 62” if eligible for Social Security

DEDUCTIONS

- Health Benefits
- Life Insurance
- Federal Income Taxes

CSRS AGE REDUCTION

The annuity of an employee wh retires before age 55 in cases o early or discontinued service retirement is reduced by 1/6 of 1% for each full month (2% per year) the employee is under age 55

CSRS SURVIVOR BENEFITS

Types of Survivor Elections:

- [X] **Self only annuity (No survivor benefit)**
- [ ] [X] **Current Spouse Survivor Annuity**
  - [ ] **>Full (55% of your annuity)**
  - [ ] **>Less (55% of a $ <u>amount</u>)**
- [ ] [X] **Former Spouse Survivor Annuity**
  - [ ] **>Full (55% of your annuity)**
  - [ ] **>Less (55% of a $ <u>amount</u>)**
- [X] **Combination of Current/Former Spouse Survivor Annuity**
- [X] **Insurable Interest Survivor**

SURVIVOR BENEFIT COST / REDUCTION

- **Cost = 2.5% of base annuity up to $3,600 plus 10% of base annuity over $3,600**

Example: $22,500 base annuity (Max elected) **$3,600 x 2.5% = $90** **$18,900 x 10% = + $1,890**

Reduction/Cost = $1,900 yearly

***Survivor will receive 55% of base annuity = $12,375 yearly**

Example: $22,500 base annuity ($3,600 elected) **$3,600 x 2.5% = $90.00**

Reduction/Cost = $90.00 yearly

***Survivor will receive 55% of $3,600 annuity = $1,980 yearly**

NON-APPROPRIATED FUND (NAF)

RETIREMENT PROCESSING

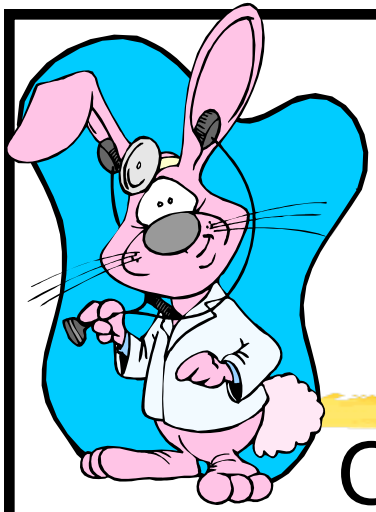
- **NAF Retirement System – Contact NAF**
- **CSRS Retirement Plan - Contact the AB**

PERSONNEL PROFESSIONALS IN PARTNERSHIP

FEHB & RETIREMENT

Continuation into Retirement

- Retires on an immediate annuity
- Insured on date of retirement
- Covered for the 5 years of service prior to retirement OR since your FIRST opportunity to enroll
- Coverage as a family member under FEHB or CHAMPUS/TRICARE counts towards 5 year requirement, however, employee must be enrolled in FEHB prior to retirement.



FEHB & RETIREMENT

Continuation into Retirement

Requirements for automatic waiver during Agency Buyout Period

- Enrolled continuously since October 05, 1999 **or**
- the beginning date of an agency's latest statutory buyout authority, whichever is later. Employee(s) must:
  - Retire during the agency's statutory buyout period; **and**
  - Receive a buyout under the agency's statutory buyout period; **or**
  - Take Early Optional Retirement as a result of above; **or**
- Take a Discontinued Service Retirement (DSR) based on an involuntary separation due to RIF, directed reassignment, reclassification to a lower grade, or abolishment of position

FEGLI & RETIREMENT

Continuation into Retirement

- Retires on an immediate annuity
- Insured on date of retirement
- Insured for the 5 years of service prior to retirement OR since your FIRST opportunity to enroll
  - Election Form: SF281[illegible] Insurance Coverage.

FEGLI & RETIREMENT

BASIC LIFE OPTIONS:

- Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000. Ex: $36,400 = $37,000 + $2,000 = Amt of Basic Ins * $39,000

Options	Before age 65	After age 65
1. 75% reduction	BIA x .3250 (per $1,000) ex: $12.68 per mth	NO COST *Coverage reduces 2% per mth for 37.5 mths until it reaches a final value of $9,750*
2. 50% reduction (per $1,000) $23.40 per mth	BIA x .9250 (per $1,000) ex: $36.08 per mth	BIA x .6000 ex: *Coverage reduces 1% per mth for 50 mths until it reaches a final value of $19,500*
3. NO reduction (per $1,000)	BIA x 2.1550 (per $1,000) ex: $84.05 per mth	BIA x 1.8300 ex: $71.37 per

FEGLI & RETIREMENT

OPTION A - STANDARD COVERGE:

- OPTION A - Standard = $10,000

Age Group	Monthly Cost
Under 35	$0.65
35 thru 39	$0.87
40 thru 44	$1.30
45 thru 49	$1.95
50 thru 54	$3.03
55 thru 59	$5.85
60 thru 64	$13.00
65 & above	NO COST

*At Age 65 coverage reduces by 2% per mth for 37.5 mths until it reaches $2,500

FEGLI & RETIREMENT

OPTION B - ADDITIONAL COVERAGE

(1 - 5 MULTIPLES OF PAY):

- OPTION B - Ex: Annual Salary $36,400. 1x Multiple elected = *$37,000

Age Group	Mthly Cost @ $1000	*Mthly Cost
Under 35	$0.065	$2.41
35 thru 39	$0.087	$3.22
40 thru 44	$0.130	$4.81
45 thru 49	$0.195	$7.22
50 thru 54	$0.303	$11.21
55 thru 59	$0.607	$22.46
60 thru 64	$1.300	$48.10
65 thru 69	$1.538	$56.91
70 thru 74	$2.232	$82.58
75 thru 79	$3.098	$114.63
80 & above	$3.965	$146.71

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage ends

NO Reduction: Coverage and premium continues

FEGLI & RETIREMENT

OPTION C - FAMILY COVERAGE

(1 - 5 MULTIPLES OF PAY):

- OPTION C - Spouse = $5,000 (1x Multiple) / Each Child = $2,500 (1x Multiple)

Age Group	Mthly Cost per Multiple	Mthly Cost (1x)
Under 35	$0.59	$0.59
35 thru 39	$0.74	$0.74
40 thru 44	$1.00	$1.00
45 thru 49	$1.30	$1.30
50 thru 54	$1.95	$1.95
55 thru 59	$3.14	$3.14
60 thru 64	$5.63	$5.63
65 thru 69	$6.50	$6.50
70 thru 74	$7.37	$7.37
75 thru 79	$9.75	$9.75
80 & above	$13.00	$13.00

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage will end

NO Reduction: Coverage and premium will continue

TSP & RETIREMENT

TSP Service Office
National Finance Center
P.O. Box 61500
New Orleans, LA 70161-5000

Telephone: (504) 255-6000 Automated: (504) 255-8777 Monday through Friday, 7:00 a.m. - 4:30 p.m. CST

www.tsp.gov

TSP & RETIREMENT

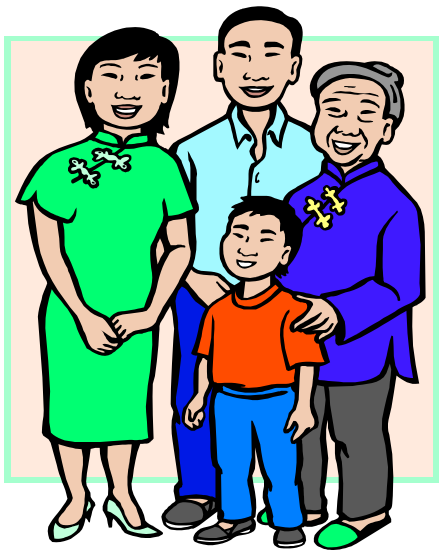
OPTIONS:

- Automatic cashout
- Leaving money in the TSP
- Partial Withdrawal of at least $1,000 (one time in career)
- Full Withdrawal
  - Single payment
  - Monthly payments
  - Life annuity
- Mixed

HOW TO APPLY:
TSP-70 FORM - Withdrawal Request

DESIGNATION OF BENEFICIARY

- **Order of Precedence:**
  - **Court Order**
  - **Designation of Beneficiary**
  - **Widow or Widower**
  - **Children (and/or descendants of deceased children)**
  - **Parents**
  - **Executor or administrator of estate**
  - **Next of kin**



ABC RETIREMENT
PROCEDURES & PROCESS

- 180 days prior to retirement:
  - contact the ABC-C for retirement estimate & information
- 90-180 days prior to retirement:
  - download forms from ABC-C website, or contact ABC-C for forms
  - call ABC-C with questions on retirement estimate
  - call ABC-C for help with the retirement forms
- 90 days prior to retirement:
  - mail retirement forms to ABC-C

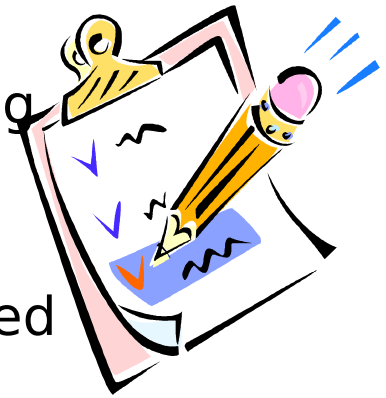
ABC RETIREMENT
PROCEDURES & PROCESS

- ABC-C receives your retirement package:
  - sends letter acknowledging receipt
  - does quick review of retirement package
  - sends letter requesting missing fo
  - requests OPF

- 30-60 days prior to retirement:
  - retirement package assigned to counselor

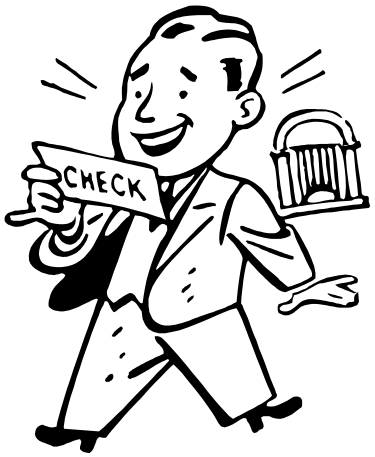
ABC RETIREMENT
PROCEDURES & PROCESS

- ABC-C retirement counselor:
  - reviews OPF for service history
  - thoroughly reviews retirement package for missing, incomplete, incorrect forms
  - contacts you about missing forms
  - contacts you for final retirement counseling
- 2 - 4 weeks prior to retirement:
  - retirement package processing is completed
  - retirement package is mailed to payroll



ABC RETIREMENT
PROCEDURES & PROCESS

- 2-4 weeks after retirement:
  - final paycheck is received
  - lump sum annual leave is paid
  - lump sum VSIP is paid
  - bi-weekly VSIP payments begin
- 8-10 weeks after retirement:
  - receive 1st INTERIM payment
  - receive letter from OPM with CSA number



Office of Personnel Management Retirement Operations Center P.O. Box 45
Boyers, PA 16017

www.opm.gov
email: retire@opm.gov
Tel: 1-888-767-

Social Security Administration
www.ssa.gov
www.medicare.gov
Tel: 1-800-772-1213

IRS Publication 721
www.irs.gov

FOR ADDITIONAL RETIREMENT INFORMATION

CONTACT THE ABC-C

- Toll Free 1-877-276-9287
- Hearing Impaired TDD 1-877-276-9833
- Counselors available from 6 a.m. - 6 p.m. (CST)
- Web site: https://www.abc.army.mil